

# Notice of Allowability

Application No.

09/559,320

Examiner

Daniel S Felten

Applicant(s)

MCCABE ET AL.

Art Unit

3624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address--

All claims being allowable, PROSECUTION ON THE MERITS IS (OR REMAINS) CLOSED in this application. If not included herewith (or previously mailed), a Notice of Allowance (PTOL-85) or other appropriate communication will be mailed in due course. **THIS NOTICE OF ALLOWABILITY IS NOT A GRANT OF PATENT RIGHTS.** This application is subject to withdrawal from issue at the initiative of the Office or upon petition by the applicant. See 37 CFR 1.313 and MPEP 1308.

1. ☒ This communication is responsive to 9/20/2004.
2. ☒ The allowed claim(s) is/are 1 and 4-24.
3. ☒ The drawings filed on 4/10/04 are accepted by the Examiner.
4. ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
  - a) ☐ All b) ☐ Some\* c) ☐ None of the:
    1. ☐ Certified copies of the priority documents have been received.
    2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
    3. ☐ Copies of the certified copies of the priority documents have been received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

\* Certified copies not received: \_\_\_\_\_.

Applicant has THREE MONTHS FROM THE "MAILING DATE" of this communication to file a reply complying with the requirements noted below. Failure to timely comply will result in ABANDONMENT of this application.  
**THIS THREE-MONTH PERIOD IS NOT EXTENDABLE.**

5. ☐ A SUBSTITUTE OATH OR DECLARATION must be submitted. Note the attached EXAMINER'S AMENDMENT or NOTICE OF INFORMAL PATENT APPLICATION (PTO-152) which gives reason(s) why the oath or declaration is deficient.
6. ☐ CORRECTED DRAWINGS (as "replacement sheets") must be submitted.
  - (a) ☐ including changes required by the Notice of Draftsperson's Patent Drawing Review (PTO-948) attached
    - 1) ☐ hereto or 2) ☐ to Paper No./Mail Date \_\_\_\_\_.
  - (b) ☐ including changes required by the attached Examiner's Amendment / Comment or in the Office action of Paper No./Mail Date \_\_\_\_\_.

Identifying indicia such as the application number (see 37 CFR 1.84(c)) should be written on the drawings in the front (not the back) of each sheet. Replacement sheet(s) should be labeled as such in the header according to 37 CFR 1.121(d).
7. ☐ DEPOSIT OF and/or INFORMATION about the deposit of BIOLOGICAL MATERIAL must be submitted. Note the attached Examiner's comment regarding REQUIREMENT FOR THE DEPOSIT OF BIOLOGICAL MATERIAL.

## Attachment(s)

1. ☐ Notice of References Cited (PTO-892)
2. ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3. ☐ Information Disclosure Statements (PTO-1449 or PTO/SB/08), Paper No./Mail Date \_\_\_\_\_
4. ☐ Examiner's Comment Regarding Requirement for Deposit of Biological Material
5. ☐ Notice of Informal Patent Application (PTO-152)
6. ☐ Interview Summary (PTO-413), Paper No./Mail Date \_\_\_\_\_
7. ☐ Examiner's Amendment/Comment
8. ☒ Examiner's Statement of Reasons for Allowance
9. ☐ Other \_\_\_\_\_

  
Ex. Daniel Felten  
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Business Methods

### **DETAILED ACTION**

1. Receipt of the Response filed November 15, 2004 is acknowledged. Claims 1 and 4-24 remain pending in the application and are presented to be examined upon their merits.

### ***Response to Arguments***

2. Applicant's arguments, see Response, filed November 15, 2004 with respect to the application of Lau et al and O'Shaughnessy (US 5,978,778) to claims 1, and 4-24 have been fully considered and are persuasive. The rejection of claims 1, 4-24 has been withdrawn.

### ***Allowable Subject Matter***

3. Claims 1 and 4-24 are allowed.

4. The following is an examiner's statement of reasons for allowance:

McCabe et al discloses a first equity instrument which represents an ownership interest in a portfolio of stocks. The portfolio of stocks is a subset of a larger portfolio of stocks, which also has a corresponding second equity instrument representing an ownership interest in the larger portfolio of stocks. The weight of each stock in the smaller portfolio is substantially similar to its weight in the larger portfolio, divided by the combined weight of the smaller portfolio within the larger portfolio.

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Thus, trading in the equity instrument allows one to maintain the relative proportions of the stocks belonging to the smaller portfolio, in the larger portfolio without having to trade the individual stocks comprising the smaller portfolio.

The closest prior art of record applied to the application was Lau et al, "Trading of NASDAQ Stocks on the Chicago Stock Exchange", the Journal of Financial Research, Vol. XIX, No. 4, pages 579-584 (Winter 1996) ("Lau"); O'Shaughnessy (US 5,978,778) and Ferstenberg et al (herein after "Ferstenberg", US 5,873,071),

Lau describes a study that compares a first group of 60 stocks that are traded both on the NASDAQ and the CSE ("first group") with a second group of 57 stocks that are traded only on NASDAQ. No members are in common between both groups/portfolios. Lau fails to disclose, as found in claims, "**a first financial instrument** representing an ownership interest in a first portfolio, the first portfolio comprising units of an integer number M different securities selected from a second portfolio comprising units of an integer number N different securities,  $N > M$  different securities being a subset of the N different securities."

O'Shaughnessy discloses a portfolio in which the stocks are equally weighted. However neither Lau nor O'Shaughnessy either separately, or in combination teach financial instruments that are traded on the securities market were the financial instrument represents ownership interest in a portfolio of different stocks. This is different from trading individual stocks on a securities market as taught in O'Shaughnessy.

Ferstenberg teaches or suggests a portfolio comprising the NASDAQ-only portion of the S&P 500, but fails to teach a financial instrument representing an ownership interest in its portfolio. Thus Applicant's invention distinguishes over the closest applied prior art of record.

Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Daniel S Felten whose telephone number is (703) 305-0724. The examiner can normally be reached on Flex.

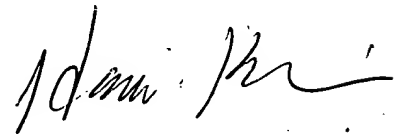
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (703) 308-1065. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



DSF  
January 07, 2004

Daniel S Felten  
Examiner  
Art Unit 3624



**HANI M. KAZIMI**  
**PRIMARY EXAMINER**